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ABSTRACT

This semiannual report to Congress by the Office of Inspector General (OIG), U.S. Department of Education, covers the actions of the OIG from October 1, 2002, through March 31, 2003. The report discusses four goals of the President's Management Agenda: (1) improved financial performance: includes information on financial statement audits, testimony on financial management, and financial integrity investigations; (2) budget and performance integration: includes information on compliance with IDEA funding requirements, migrant education, continued noncompliance by high-risk Pacific outlying-areas grantees, controls over equipment in the Virgin Islands, and investigations into fraud in elementary and secondary programs; (3) expanded electronic government: includes information on hacking investigations and an audit of the department's Critical Infrastructure Protection program; and (4) elimination of fraud and error in student-aid programs: includes information on investigations of fraud in student financial-assistance programs by school officials, consultants, and students. The report also discusses security efforts of the Department of Education and nonfederal financial audits of department programs. The report contains eight detailed tables on programs, activities, investigations, and other information. (WFA)

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Semiannual Report to Congress: No. 46

October 1, 2002 - March 31, 2003

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U.S. Department of Education

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May 2003

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U.S. Department of Education

Office of Inspector General

Semiannual Report to Congress: No. 46

October 1, 2002 - March 31, 2003

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

April 30, 2003

Dear Mr. Secretary:

I am pleased to submit to you, in accordance with the Inspector General Act of 1978 (Public Law 95-452, as amended, section 5(b)), this semiannual report on the activities of the Department's Office of Inspector General for the six-month period ending March 31, 2003.

Ensuring equal access to quality education is a top priority of our nation and the central mission of the Department. You have set the Department on a course of excellence in financial management, program delivery, and operations to meet this fundamental goal. Our audits, investigations, and inspections support this goal by providing independent and objective analysis to identify shortcomings and make recommendations for improvements.

We look forward to continuing our work with you on the challenges facing the Department. As this report evidences, our work focuses on our shared goal of achieving and maintaining accountability throughout the Department.

The Inspector General Act requires you to transmit this report within 30 days to the appropriate congressional committees and subcommittees, together with a report containing any comments you wish to make. Your report should also include the statistical tables specified in section 5(b)(2) and (3), and a statement with respect to audit reports on which management decisions have been made, but final action has not been taken, as specified in section 5(b)(4).

Sincerely,

John P. Higgins, Jr.

Enclosure

400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20202-1510

Our mission is to ensure equal access to education and to promote educational excellence throughout the nation.

INSPECTOR GENERAL'S MESSAGE TO CONGRESS

We are pleased to provide this semiannual report on the accomplishments of the Office of Inspector General (OIG), U.S. Department of Education (Department), from October 1, 2002 through March 31, 2003. During this period, we issued 55 audit and inspection reports and memoranda and closed 120 investigations. We also testified before Congress on improvements in the Department's financial management.

Our work demonstrates OIG's commitment to assist the Department in its implementation of the President's Management Agenda and in resolution of its major management challenges. We directed significant resources to the Agenda's goal to eliminate fraud and error in student financial aid programs. We continue to find that applicants, school and administrative officials, and others attempt to obtain funds from these programs illegally. We recently completed an analysis to help the Department identify critical risks based on our extensive experience in student financial aid programs. We recommended controls to safeguard these programs and help the Department meet its objective to remove them from the General Accounting Office's high-risk list.

We also focused attention on the Department's financial management, budget and performance integration, and expanded electronic government to advance its efforts in meeting other items on the President's Management Agenda. For example, we examined challenges to the timely and accurate preparation of the Department's financial statements, compliance with funding requirements for certain elementary and secondary programs, and protection of critical infrastructure, including information technology. We made significant recommendations in these areas providing valuable guidance for the Department to improve the integrity, effectiveness, and efficiency of its programs and operations.

This is our first semiannual report since my Senate confirmation on November 14, 2002. My senior staff and I, together with all OIG, look forward to continued partnership with the Secretary and Congress in our common goal of a Department of Education that delivers programs and services for the nation's students with the highest standards of excellence and accountability.

John P. Higgins, Jr.
Inspector General

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Activities and Accomplishments

The Office of Inspector General (OIG) for the period October 1, 2002 through March 31, 2003, continued its work to improve the programs and operations of the Department of Education (Department) and to protect their integrity. We emphasized work to assist the Department in meeting the mandates of the President's Management Agenda (PMA) and have summarized our work in these areas. Detailed information is available on our website at *http://www.ed.gov/offices/OIG*.

PMA Goal: Improved Financial Performance

The Department has made improvements in its financial management, and has taken steps toward establishing and maintaining a system of internal controls necessary for continued improvements. These improvements enabled the Department to reach its stated goal of an unqualified opinion on its Fiscal Year (FY) 2002 financial statements.

Financial Statement Audits

The independent auditors, Ernst & Young, LLP, issued reports on the FY 2002 financial statements for the Department and for Federal Student Aid (FSA). The reports noted progress in the Department's implementation of a new general ledger software package and in FSA's implementation of a new financial management system. The Department also made progress on financial reporting related to credit reform. For example, it improved financial statement disclosures, monitored key credit reform accounts, began a process to study key assumptions in the subsidy models, and participated with the Office of Management and Budget (OMB) in a Student Loan Audit Modeling Working Group. ("U.S. Department of Education Financial Statement Audit Reports," *ED-OIG/A17-C0008; January 17, 2003)*

While the Department has made progress, significant management issues continued to impair its ability to accumulate, analyze, and present reliable financial information during FY 2002. The Department must resolve several critical challenges if it is to prepare timely and accurate financial statements and continue to improve its overall financial management. First, it needs to strengthen its financial management by improving its processes for reconciliations and account analysis. Second, it must ensure that it has the capacity to produce interim and final financial statements so as to meet OMB's accelerated schedule. Third, the Department needs to improve controls to adequately safeguard the security of its financial management systems.

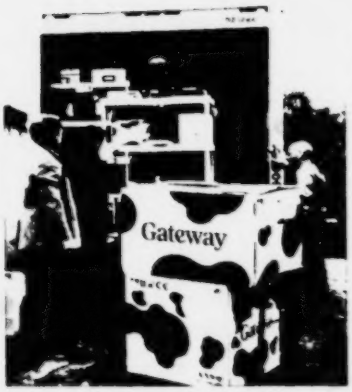
Testimony on Financial Management

In March, Deputy Inspector General Thomas A. Carter testified before the Subcommittee on Select Education, Committee on Education and the Workforce, United States House of Representatives, on the Department's improvements in financial management. His testimony emphasized the need for strong controls to sustain these improvements. For example, we noted that there is a greater risk of fraudulent reporting by recipients when program performance and results have financial consequences, as they will under the No Child Left Behind Act. Therefore, it is essential to have strong controls to help ensure the accuracy and reliability of program performance data submitted by grantees.

We also emphasized the importance of monitoring to improve the financial management of, and accountability for, federal education expenditures. Vigorous monitoring of programs and contracts helps ensure that federal education dollars are administered and used in the most effective and efficient manner, and is vital to assuring program success.

Testifying before the House Subcommittee on Select Education

FINANCIAL INTEGRITY INVESTIGATIONS



OIG Special Agents transport evidence to court

Our investigations resulted in a significant number of arrests, convictions, indictments, jail sentences, and monetary restitutions to the government for fraud against the Department's programs. The last three persons charged in a wide-ranging conspiracy to defraud the Department of over one million dollars in electronic equipment and false overtime charges were found guilty after a federal trial. Also, in a related matter, Verizon Federal Systems entered into a $2 million civil settlement with the Department for federal claims on false overtime charges and improper purchases by Verizon employees who conspired with the Department employees. To date, nineteen persons, including eight Department employees, have either pled guilty to federal charges or been convicted after a federal trial in this case, and fourteen have been sentenced.

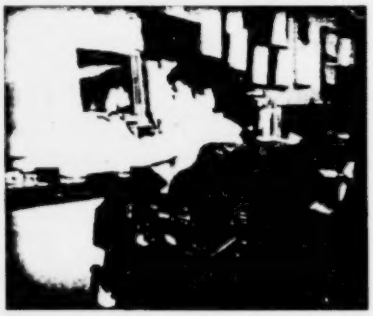
Our ongoing investigation of Department employees who used their government credit cards to obtain more than $163,000 in money, goods, and services for their personal benefit resulted in two guilty pleas. These individuals also received over $30,000 in kickbacks from vendors by certifying as accurate, invoices they knew were false. The Department employees are awaiting sentencing.

PMA Goal: Budget and Performance Integration

Our audits of States' compliance with statutory and regulatory provisions intended to ensure the efficient, effective, and equitable distribution and use of federal funds found weaknesses in program administration at both the State and federal levels.

COMPLIANCE WITH IDEA FUNDING REQUIREMENTS

We issued a report on our audit of selected States' compliance with the funding requirements under the Individuals with Disabilities Education Act (IDEA). Our review found that Florida, Tennessee and Rhode Island, three of the six States we audited, did not comply with the formula for distribution of flow-through funds in FY 2000. As a result, all 332 local education agencies in those States received the wrong amount of IDEA funding, with some under-funded by as much as



$599,000 and some over-funded by as much as $838,000. Our findings indicate that there is a high probability that more States have incorrectly calculated the funding formula or incorrectly distributed their IDEA allocations.

We recommended that the Department provide clearer guidance to all of the States on calculating and distributing their IDEA allocations, and require the 44 States we did not audit, as well as the District of Columbia and Puerto Rico, to reaffirm that they had correctly calculated and distributed their data. The Department generally concurred with our conclusions and recommendations. ("Audits of Six States' Compliance with the Funding Formula Requirements of the Individuals with Disabilities Education Act," *ED-OIG/A06-B0029; December 19, 2002*)

MIGRANT EDUCATION

We completed an audit at the Texas Education Agency (TEA) that examined the procedures for identifying migrant children who qualify for "priority for services." The Elementary and Secondary Education Act (as reauthorized by the No Child Left Behind Act) provides that migrant children who are at risk of failing and whose education has been interrupted should receive priority for services. We found that TEA had not established or implemented procedures to identify and target migrant children eligible for this priority for services. As a result, the Department has no assurance that Texas used the $53 million it received in Fiscal Year 2001 Migrant Education program funds to benefit priority for services migratory children before it provided services to other migratory children. TEA concurred with our recommendations and is implementing corrective action. ("The Migrant Education Program at the Texas Education Agency," *ED-OIG/A06-C0030; February 5, 2003*)

CONTINUED NON-COMPLIANCE BY HIGH-RISK PACIFIC OUTLYING AREAS GRANTEES

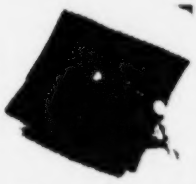
In our continuing oversight role, we informed the Department about serious accountability and compliance issues involving grantees in the Pacific Outlying Areas. The first concerned misuse of education funds by grantees. Our preliminary audit and investigation work revealed instances of fraud, waste, and abuse that might have been detected and prevented through consistent oversight, such as on-site monitoring and ensuring that Single Audits and performance reports were completed and submitted on time. We advised the Department that it should develop a coordinated strategy to monitor the Pacific Outlying Areas grantees, including on-site monitoring visits, and the Department agreed. The Department has assigned a Department-wide team to address problems in the Pacific Outlying Areas, as well as teams to address problems in Puerto Rico and the Virgin Islands.

We also informed the Department of Pacific Outlying Areas grantees' failure to submit timely financial and compliance audits in accordance with Single Audit Act requirements. Such audits would have informed the Department and other federal grantor agencies about whether the grantees had properly expended and accounted for federal funds, had proper internal controls in place, and had complied with laws and regulations pertaining to major federal programs. We advised the Department to work with each Pacific Outlying Areas grantee to develop a plan for it to meet the audit requirements. We also advised the Department that before the statute of limitation periods expire, it should consider demanding that each Pacific Outlying Areas grantee repay the Department all funds drawn down that were not subjected to Single Audits. In general, the Department concurred.

CONTROLS OVER EQUIPMENT IN THE VIRGIN ISLANDS

Our audit of the Virgin Islands Department of Education, St. Croix School District's (VIDE-St. Croix) controls over equipment purchased with federal eduation funds, found that VIDE-St. Croix did not maintain adequate inventory and management controls and could not account for $1,017,416 in equipment. VIDE-St. Croix agreed with most of our recommendations and outlined corrective actions that were responsive to the weaknesses we identified. ("The Virgin Islands Department of Education-St. Croix School District's Control of Equipment Inventory," *ED-OIG/A02-C0019; March 31, 2003*)

TALENT SEARCH PROGRAM AT LUTHER COLLEGE

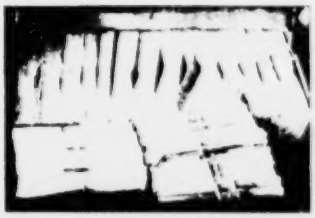


Our audit of the Talent Search program at Luther College, Decorah, Iowa, found that the program served significantly fewer participants than it was funded to serve, or than required by regulation, making it ineligible for federal funds for the period covered. We recommended that the Department require Luther College to refund the entire $219,567 expended during its Talent Search program for the 2001-2002 budget period, and establish and properly document procedures to ensure that only those participants receiving eligible services are counted as Talent Search participants. Luther College did not concur with our finding or recommendations, but advised us it had taken corrective actions.

We also recommended that the Department monitor the current Luther College Talent Search project to determine whether the college will be able to meet required minimum participant numbers or should have its grant withdrawn. We further recommended that the Department review the college's three prior budget periods to verify that the participant numbers were met in each budget period, and take appropriate action. ("Talent Search Program at Luther College," *ED-OIG/A07-C0031; March 28, 2003*)

FRAUD AGAINST ELEMENTARY AND SECONDARY PROGRAMS

OIG investigations of fraud in elementary and secondary education programs resulted in several significant prosecutive actions. Our joint investigation with the Federal Bureau of Investigation (FBI) led to a three-year prison sentence and an order to pay over $260,000 in restitution for a former administrative assistant who fraudulently obtained Title I funds from Oakdale school district in Oklahoma. Our investigation of the Florida Institute for Workforce Innovation resulted in the executive director of the institute signing an agreement to repay the Department over $285,000 in Vocational Rehabilitation funds.



Cash seized by OIG Special Agents

As previously reported, an extensive joint OIG/FBI investigation involving fraudulent contracts for services under the Goals 2000 program and Technology Literacy Challenge Fund with the Puerto Rico Department of Education, resulted in a jail sentence and forfeiture order totaling over $800,000 for the President of RV Research and Management. As part of this investigation, the former Puerto Rico Secretary and Associate Secretary of Education were sentenced in December 2002 to 12 and 11 years respectively, for using their positions to extort $4.3 million from Puerto Rico Department of Education contractors.

PMA Goal: Expanded Electronic Government

In our ongoing work to support the President's e-government mandate, we participated in several intergovernmental projects and activities to assist the Department and to assess its progress in securing its information technology (IT) resources.

Critical Infrastructure Protection Program

We completed an audit of the Department's Critical Infrastructure Protection (CIP) program as part of a government-wide effort coordinated through the President's Council on Integrity and Efficiency. The Department is expected to have a CIP program to protect the infrastructure it needs to provide services for its core missions. We examined the Department's plans for protection of its critical cyber-assets and its progress in implementing these plans since our previous review in 2000. We found that while the Department has made progress in several areas, including strengthening its CIP planning and identifying vulnerabilities in critical systems, the CIP program is still at risk primarily because of a lack of effective monitoring and resource commitment. We made several recommendations to the Department for improvement in these areas. The Department agreed with our recommendations. ("Critical Infrastructure Protection Program (CIP) - Phase II Review - Protection of Cyber Assets," *ED-OIG/A11-D0001; March 28, 2003*)

Network Intrusion (Hacking) Investigations

We conducted network intrusion investigations of offenses against the Department's computer networks, including investigations of website defacements and unauthorized access from internet protocol (IP) addresses located in several different countries. We actively participated in the FBI Inter-Agency Coordination Cell for computer crimes and other federal computer crime workgroups. We provided special computer security advisories relating to new cyber exploits and vulnerabilities to Department officials, colleges, and universities.

PMA Goal: Elimination of Fraud and Error in Student Aid Programs

The Department's student financial assistance programs disburse about $65 billion annually. The Department also manages a $267 billion loan portfolio. We direct a significant portion of our investigative and audit work to these programs, where we continue to find fraud by financial aid officials and recipients as well as weaknesses in program administration.

We issued a memorandum to the Department summarizing the schemes used by participants in the student financial assistance programs to obtain funds illegally or inappropriately. Our analysis was based on OIG audit and investigative work over the last several years, and included suggestions to assist the Department in addressing these problems.

Fraud by Administrative and School Officials

We investigate cases in which administrative and school officials use their positions to fraudulently obtain federal student aid moneys. Some examples of these cases follow.

The owner, registrar, director of education, and other employees at The Training Center, a computer and travel school in Michigan, were indicted for falsifying documents to illegally obtain student financial aid. The indictment included an $875,000 forfeiture to recover the funds these individuals illegally received.

Three collection agency officials associated with Unger & Associates, Inc. in Texas were sentenced to prison and each was ordered to pay restitution of over $1 million. This agency contracted with over 200 educational institutions to collect on defaulted Perkins loans; however, instead of returning the collected funds to the institutions, these officials kept the money for their personal use.

The former assistant financial aid director at Carson Newman College and her husband were sentenced to prison and ordered to pay $287,500 restitution for using a false Social Security number to submit fraudulent Federal Family Education Loan (FFEL) applications. The financial aid director at Manhattan College in New York was incarcerated and ordered to pay more than $163,000 for submitting fraudulent FFEL applications. Two individuals in Indiana were indicted for forging school certifications, exceeding maximum loan limits, and conspiring to fraudulently obtain over $146,000 in FFEL funds.

The admissions director at the Hair Design School in Tennessee received a jail sentence and was ordered to pay more than $26,000 restitution for creating false GED test scores for students at the school. This crime caused the disbursement of over $100,000 in federal loans and grants to ineligible students. The former chief financial officer at LeMoyne-Owen College in Tennessee was sentenced to prison and ordered to pay $42,000 in restitution after he cashed student aid refund checks and kept the funds for himself.

Our investigation at Beacon Career Institute (BCI) in Florida revealed a major Pell Grant case that defrauded the Department of over $720,000. We found the former BCI administrator and other BCI officials created false documents to justify the disbursement of these grants. They were ordered to pay restitution totaling $1,778,472 and sentenced to prison. We also made a referral to the Immigration and Naturalization Service that led to criminal charges against the former administrator for bringing aliens into the country; he received a jail term of three years for this offense. The former administrator also used an alias to purchase the Caribbean Beauty and Technical Institute in Puerto Rico. He was charged in Miami with student aid fraud at the Institute that resulted in disbursement of over $1.7 million in Pell Grant funds. He is now incarcerated.

Our investigation of a former instructor at Piedmont College of Hair Design in South Carolina led to a guilty plea and an order to pay restitution of $27,000 for Pell Grant fraud. Her actions caused over $300,000 in Pell Grants to be given to ineligible students.

The director of foreign students and two professors at Morris Brown College in Atlanta were indicted on 113 counts for conspiring to commit student visa fraud, allowing ineligible students to receive aid. The former associate financial aid director at Central Michigan University who received approximately $26,000 in federal direct student loans by using her position to remove her financial aid suspension status from the school's computerized records was indicted for these actions. The former coordinator of the Work-Study program at Union University in Tennessee stole more than $70,000 from the program and pled guilty.

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Fraud by Student Aid Consultants

Our investigation of Joseph & Associates, a financial consulting business in Illinois, led to 53 settlements and civil judgments totaling over $465,525 in the last six months. The owner of the business created false federal income tax returns to verify false income amounts that enabled ineligible students to qualify for financial aid. We disclosed over 700 students who used this service.

A joint OIG/U.S. Postal Inspection Service investigation led to the conviction of an individual in Los Angeles for student aid fraud. This individual conducted weekly seminars for parents and students, charging them approximately $300 for the programs at which he advised and assisted them in preparing student aid applications that deliberately misstated their income or dependency status. The potential loss to the government from his actions was approximately $800,000.

Fraud by Students

OIG special agents investigate many cases in which individuals falsify their income, commit identity theft, create false test scores, and commit other types of fraud to illegally qualify for federal student aid. A student attending Bethel College in Kansas was indicted for using another person's identity to obtain approximately $50,000 in federal student aid. A former student at Cleveland State University was indicted for using a false Social Security number and date of birth to obtain approximately $10,000 in loans and grants after defaulting on loans he received using his own identity. A former civilian Army employee in Georgia who used false Social Security numbers to fraudulently obtain student aid agreed to forfeit $30,000 in fraudulent tax refunds.

Inconsistent and Inaccurate Guidance

We alerted the Department that its Federal Student Aid Handbook contained guidance that could result in schools disbursing federal student aid to non-citizens who are not eligible for the aid. The Higher Education Act (HEA) requires that non-citizens must provide certain evidence from the Immigration and Naturalization Service to be eligible for student financial assistance. We found that the guidance the Department provided to schools on the interpretation of HEA's citizenship requirements was inconsistent and inaccurate. We estimated that this guidance contributed to schools nationwide disbursing approximately $5.4 million in aid to more than two thousand potentially ineligible students. We made suggestions for changes to the guidance, and the Department reported to us that it is revising the handbook and will address the issues we raised.

Improper Use of Reserve Funds

Our audits have repeatedly shown that guaranty agencies have improperly excluded FFEL funds from, or failed to deposit them into, the Federal Fund (reserve funds) as required by the HEA. We have completed eight audits on this misuse of funds.

Our audit at Educational Credit Management Corporation (ECMC) found that ECMC transferred $14.6 million in reserve funds to its Operating Fund. We recommended that the Department require ECMC to return these funds plus imputed interest to its Federal Fund and reimburse the fund for any misallocated costs. ECMC disagreed with these findings. ("Educational Credit Management Corporation's Administration of the Federal Family Education Loan Program Federal and Operating Funds," *ED-OIG/A05-C0014; March 18, 2003)*

Our audit of excess reserve funds at ECMC found that the Department had not recalled excess reserve funds totaling about $103 million as of September 30, 2001, leaving them available for ECMC to use for unintended purposes. We recommended that the

Department recall the entire $103 million as well as excess reserves in each subsequent year, and clarify its agreement with ECMC. The Department generally concurred with our findings and recommendations. ("Educational Credit Management Corporation's Administration of the Federal Family Education Loan Program Federal and Operating Funds for the period April 1, 2000 through March 31, 2001," *ED-OIG/A05-D0001; March 20, 2003)*

Our audit of the California Student Aid Commission (CSAC) concluded that CSAC improperly used $7.4 million of its Federal Fund for accrued administrative expenses and $4.5 million of the funds for purchases used to administer the FFEL program. We recommended that the Department require CSAC to reimburse the Federal Fund for these improper expenditures, plus imputed interest. CSAC advised us that a cash transfer was made to the Federal Fund for the lost interest, but did not agree with our other findings and recommendations. ("California Student Aid Commission's Administration of the Federal Family Education Loan Program Federal and Operating Funds," *ED-OIG/A09-C0013; March 27, 2003)*

STRENGTHENING ACCREDITATION STANDARDS

Our reviews at two accrediting agencies found that their standards for measuring student achievement and program length need to be strengthened. We suggested several ways that the National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS) could strengthen its standards. NACCAS indicated it would refer our suggestions to its advisory committee on standards. ("National Accrediting Commission of Cosmetology Arts and Sciences' Accreditation Standards for Student Achievement and Measures of Program Length," *ED-OIG/A09-C0019; December 19, 2002)*

We found that the Southern Association of Colleges and Schools (SACS) provided institutions with detailed guidance but did not include specific measures, giving the agency a limited ability to compare institutions' performance. We offered suggestions for enhancing SACS' standards and management controls, which SACS indicated it would forward to its board. ("Southern Association of Colleges and Schools, Commission on Colleges' Accreditation Standards for Student Achievement and Program Length," *ED-OIG/A09-C0018; January 17, 2003)*

MEASURING CONTRACTOR PERFORMANCE

We reviewed Federal Student Aid's (FSA) Modernization Partner Agreement to determine the adequacy of the indicators used to measure contractor performance, to assess the agreement's compliance with laws and regulations, and to determine the accuracy of the costs of the products and services provided. The Modernization Partner Agreement between FSA and a contractor was developed to meet statutory requirements for FSA to improve service, reduce costs, and integrate information systems. FSA has obligated nearly $244 million to this Agreement. We found that FSA had not completed an annual review of the Agreement to ensure that it continues to represent the best value for products and services. The Department generally concurred with our findings and recommendations. ("FSA's Modernization Partner Agreement," *ED-OIG/A07-B0008; November 20, 2002)*

Other Activities

SECURITY

OIG continues to actively review the Department's security efforts beyond the IT arena. We completed several reviews, including an analysis of our Department safety and security survey. We compiled responses to the survey and provided a comprehensive report to the Department, requesting a response regarding certain issue areas prior to publishing the final survey. ("Results of the 2002 Department of Education Safety and Security Survey," *ED-OIG/I13-D0006; January 2, 2003*)

In addition, we completed a review of certain contractor personnel working in the Department who did not have proper security clearances appropriate to the work they performed, and issued a memorandum to the Department. Our review demonstrated the need for the Department to systematically implement its new contractor security clearance policy, which was in draft form at the time of our review. The policy will require personnel security screenings and risk-level determinations to ensure that contractors have clearances appropriate to the work they will perform. ("Clearances for eSource Contract Personnel," *ED-OIG/I13-D0005; January 24, 2003*)

We also requested that the Department establish a Building Security Committee for one of its buildings, as required by the General Services Administration, to ensure that safety and security issues are made known to the proper officials. The Department has appointed a chairman for the committee. ("Review of the Mary E. Switzer Building Security Committee," *ED-OIG/I13-D0003; December 2, 2002*) We will continue our efforts to strengthen the security of the Department's workforce and physical infrastructure.

NONFEDERAL AUDITS

Participants in Department programs are required to submit annual audits performed by independent public accountants (IPAs). We perform quality control reviews (QCRs) of audits conducted by IPAs to assess the quality of nonfederal audits. We completed 52 QCRs of audits conducted by 47 different IPAs, or offices of firms with multiple offices. We concluded that 34 (65%) were acceptable, 15 (29%) were technically deficient, and 3 (6%) were substandard. We also referred three IPAs to the appropriate State Boards of Accountancy and the American Institute (or State Society) of Certified Public Accountants for possible disciplinary action for substandard work. These IPAs were referred for work reported in a prior semiannual report.

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Reporting Requirements (P.L. 95-452)

Section	Requirement	Table Number	Page Number
5(a)(1) and 5(a)(2)	**Significant Problems, Abuses, and Deficiencies**		
	Activities and Accomplishments	*	*
5(a)(3)	**Uncompleted Corrective Actions**		
	Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed	1	11
5(a)(4)	**Matters Referred to Prosecutive Authorities**		
	Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003)	7	21
	Statistical Profile	8	27
5(a)(5) and 6(b)(2)	**Summary of Instances Where Information Was Refused or Not Provided**	**	**
5(a)(6)	**Listing of Audit Reports**		
	ED/OIG Audit Services Reports on Education Department Programs and Activities	2	12
5(a)(7)	**Summary of Significant Audits**		
	Activities and Accomplishments	*	*
5(a)(8)	**Audit Reports Containing Questioned Costs**		
	Inspector General Issued Audit Reports with Questioned Costs	4	16
5(a)(9)	**Audit Reports Containing Recommendations That Funds Be Put to Better Use**		
	Inspector General Issued Audit Reports with Recommendations for Better Use of Funds	5	16
5(a)(10)	**Summary of Unresolved Audit Reports Issued Prior to the Beginning of the Reporting Period**		
	Unresolved Reports Issued Prior to October 1, 2002	6	16
5(a)(11)	**Significant Revised Management Decisions**	**	**
5(a)(12)	**Significant Management Decisions with Which OIG Disagreed**	**	**

* Information found on pages 1-9 of this report.
** No instances to report.

Table 1: Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed

Report Number	Report Title (Prior Semiannual Report Number [SAR] and Page)	Date Issued	Date Resolved	Total Monetary Findings	Number of Recommendations		Latest Target Date
					Open	Closed	
Section 5(a)(3) of the Inspector General Act requires a listing of each report resolved before the commencement of the reporting period for which management has not completed corrective action. The reports listed below are OIG internal and nationwide audit reports.							
NEW AUDITS SINCE LAST REPORTING PERIOD							
Office of Postsecondary Education							
A04-90013	Office of Higher Education Programs Needs to Improve its Oversight of Parts A and B of the Title III Program (SAR 42, pp. 10-11)	12/27/00	1/31/02	*	1	16	8/1/03
Federal Student Aid							
A05-A0025	Great Lakes Higher Education Guaranty Corporation's (Great Lakes Guaranty) Administration of the Federal Family Education Loan (FFEL) Program Federal and Operating Funds (SAR 42, p. 22)	3/30/01	1/31/02	*	4	3	6/30/03
Office of the Chief Financial Officer							
A03-B0018	Audit of Department Discretionary Grants Monitoring Process (SAR 44, p. 3)	10/24/01	3/26/02	*	2	0	6/30/03
Office of Elementary and Secondary Education							
A04-A0005	Audit of the Governor's Program Portion of the Safe and Drug-Free Schools and Communities Act (SAR 42, p. 21)	3/30/01	3/26/02	*	5	1	7/31/03
Office of the Chief Information Officer							
A11-A0011	Audit of the Department's Records Management Program (SAR 43, p. 11)	9/27/01	3/28/02	*	5	2	11/30/03
A11-B0007	Government Information Security Reform Act (SAR 43, p. 3)	9/7/01	3/28/02	*	11	4	9/30/03
AUDITS REPORTED IN PREVIOUS SEMIANNUAL REPORTS							
Federal Student Aid							
A01-90005	The Recertification Process for Foreign Schools Needs to Be Improved (SAR 41, p. 23)	9/29/00	3/31/01	*	1	3	6/30/03
A17-A0003	Fiscal Year 2000 Annual Financial Statements Student Financial Assistance (SAR 42, pp. 1-2)	2/28/01	6/30/01	*	1	17	6/30/03
Office of the Chief Financial Officer							
A17-A0002	Fiscal Year 2000 Annual Financial Statements U.S. Department of Education (SAR 42, pp. 1-2)	2/28/01	9/30/01	*	1	20	6/30/03
Office of the Chief Information Officer							
A11-90013	Review of Security Posture, Policies and Plans (SAR 40, p. 3)	2/25/00	6/30/00	*	2	11	6/30/03
A11-90018	Review of EDNET Security (SAR 41, p. 22)	7/10/00	3/31/01	*	2	58	5/31/03

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Table 1: Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed (Cont.)

Report Number	Report Title (Prior Semiannual Report Number [SAR] and Page)	Date Issued	Date Resolved	Total Monetary Findings	Number of Recommendations		Latest Target Date
					Open	Closed	
A11-A0005	Review of Planning and Assessment Activities for Presidential Decision Directive 63 on Critical Infrastructure Protection (SAR 41, p. 22)	9/14/00	3/31/01	*	2	8	6/30/03
Office of Postsecondary Education							
A04-90014	Review of Title III Program, HEA, Compliance with GPRA Requirements for Implementation of Performance Indicators (SAR 41, p. 23)	6/30/00	3/31/01	*	**	7	**

* Non-monetary.

** Closure request was not received by the Department before reporting period ended (3/31/03).

Table 2: ED/OIG Audit Services Reports on Education Department Programs and Activities (October 1, 2002 to March 31, 2003)

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	Better Use of Funds	No. of Recommendations
Section 5(a)(6) of the Inspector General Act of 1978 (P.L. 95-452) requires a listing of each report completed by OIG during the reporting period. During this semiannual reporting period, ED/OIG auditors issued 27 audit reports. In addition, we issued 19 alternative products, which include 2 action memoranda[1], 8 alert memoranda[2], 2 management information reports[3], 1 special project[3], and 6 closeout letters[4]. The audit reports and alternative products (except for the action and alert memoranda) are listed below.						
AUDIT REPORTS						
Federal Student Aid						
A05-C0014	Educational Credit Management Corporation's Administration of the Federal Family Education Loan Program Federal and Operating Funds	3/18/03	$15,096,156			10
A05-C0015	Audit of American School of Technology's Administration of the Title IV, HEA Programs, Columbus, Ohio	3/21/03	$1,311,249			13
A05-D0001	Audit of Educational Credit Management Corporation's (ECMC) Administration of the Federal Family Education Loan (FFEL) program Federal and Operating Funds for the period April 1, 2000 through March 31, 2001 (OPE also designated as action official for this report)	3/20/03	$103,000,000			7
A06-B0025	Arizona Automotive Institute's Administration of the William D. Ford Federal Direct Loan Program	1/8/03	$253,006			2
A06-C0018	Gretna Career College's Administration of the Title IV Student Financial Assistance Programs	12/19/02		$1,383,470		6
A07-B0008	Audit of FSA's Modernization Partner Agreement (OCFO also designated as action official for this report)	11/20/02				5
A09-B0025	United Education Institute's Administration of Student Financial Assistance Programs	12/23/02				2

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Table 2: ED/OIG Audit Services Reports on Education Department Programs and Activities (October 1, 2002 to March 31, 2003) (Cont.)

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	Better Use of Funds	No. of Recommendations
A09-C0013	California Student Aid Commission's Administration of the Federal Family Education Loan Program Federal and Operating Funds	3/27/03	$15,887,163	$571,809		8
A17-C0009	Financial Statement Audits Fiscal Years 2002 and 2001 Federal Student Aid (OCFO also designated as action official for this report)	1/31/03				10
A19-C0006	Audit of the Department of Education's Controls over the Access, Disclosure, and Use of Social Security Numbers (SSNs) by Third Parties	10/31/02				4
Office of the Chief Financial Officer						
A02-D0005	Audit of a Contract between Abt Associates Inc. (Abt) and the U.S. Department of Education (ED) for the Reading Excellence Act School and Classroom Implementation and Impact Study	3/28/03				
A03-C0001	Contract Closeout Audit of Costs Claimed for Temple University's (TU) Laboratory for Student Success (LSS), Contract Number RJ96006201, for the period December 11, 1995, through December 16, 2000	10/25/02				1
A03-C0020	Audit of Booz Allen Hamilton's (BAH) Contract Awards with the U.S. Department of Education (ED)	3/31/03				
A17-C0008	Financial Statement Audits Fiscal Years 2002 and 2001 U.S. Department of Education (FSA also designated as action official for this report)	1/31/03				10
A17-D0002	Federal Intragovernmental Activity and Balances Agreed-Upon Procedures Report	2/6/03				
A17-D0003	Agreed-Upon Procedures Report Fiscal Year 2002 Federal Agencies' Centralized Trial-Balance System	2/6/03				
Office of the Chief Information Officer						
A11-D0001	Phase II Audit of the Department's Critical Infrastructure Protection (CIP) Program (limited distribution due to sensitivity of subject)	3/28/03				7
A19-B0011	Audit of Controls over Government Calling Cards	10/24/02				12
Office of Elementary and Secondary Education						
A02-C0019	The Virgin Islands Department of Education-St. Croix School District's Control of Equipment Inventory (OSERS also designated as action official for this report)	3/31/03		$1,017,416		7
A05-C0022	Audit of Community Consolidated School District 62's (District) Administration of the 21st Century Community Learning Centers (21st Century) Grant for the period June 1, 2000, through May 31, 2002 (OUS also designated as action official for this report)	2/24/03	$126,709			3
A06-C0030	Audit of the Migrant Education Program at the Texas Education Agency (TEA)	2/4/03				3

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Table 2: ED/OIG Audit Services Reports on Education Department Programs and Activities (October 1, 2002 to March 31, 2003) (Cont.)

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	Better Use of Funds	No. of Recommendations
Office of Intergovernmental and Interagency Affairs						
A17-B0018	Contribution Accounts Delegated to the Assistant Secretary for Intergovernmental and Interagency Affairs	10/18/02	$43	1		9
Office of Postsecondary Education						
A04-C0014	Audit of Kentucky State University's (KSU) Compliance with the Administration of the Title III, Part B, Strengthening Historically Black Colleges and Universities Program	3/12/03	$28,083			4
A05-C0026	Audit of Northeastern Illinois University's (NEIU) Administration of the Developing Institutions - Hispanic-Serving Institutions (HSI) Grant for the period October 1, 2000, through October 31, 2002	2/25/03		$478,261		2
A07-C0031	Audit of the Talent Search Program at Luther College	3/28/03	$219,567			4
Office of Special Education and Rehabilitative Service						
A06-B0029	Audits of Six Selected States' Compliance with the Funding Formula Requirements of the Individuals with Disabilities Education Act (IDEA)	12/19/02				3
Office of Vocational and Adult Education						
A05-C0021	Audit of the Ohio Department of Rehabilitation and Correction's (ODRC) Grants to States for Workplace and Community Transition Training for Incarcerated Youth Offenders Program (Youth Offenders Program) for the period July 1, 1998, through October 31, 2000	2/3/03	$270,000			4
ALTERNATIVE AUDIT SERVICES PRODUCTS						
Federal Student Aid						
A02-B0001	Audit of Foreign Schools' Cohort Default Rates (closeout letter)	10/25/02				
A06-C0025	Audit at Miami-Dade Community College (MDCC) (closeout letter)	11/1/02				
A06-C0027	Audit at Los Angeles ORT Technical Institute (LA ORT) (closeout letter)	11/1/02				
A06-C0029	Audit of Platt College's (Platt) Compliance with Title IV Student Financial Assistance Requirements (closeout letter)	11/15/02				
A06-D0002	Audit at The Fashion Institute of Design & Merchandising (FIDM) (closeout letter)	1/8/03				
A19-C0007	Audit of Federal Student Aid (FSA) Telecommunications Contracts (closeout letter)	12/20/02				
Office of Postsecondary Education						
A09-C0018	Southern Association of Colleges and Schools, Commission on Colleges' Accreditation Standards for Student Achievement and Measures of Program Length (Management Information Report)	1/17/03				

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Table 2: ED/OIG Audit Services Reports on Education Department Programs and Activities (October 1, 2002 to March 31, 2003) (Cont.)

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	Better Use of Funds	No. of Recommendations
A09-C0019	National Accrediting Commission of Cosmetology Arts and Sciences' Accreditation Standards for Student Achievement and Measures of Program Length (Management Information Report)	12/19/02				
Office of the Secretary (OS/OUS/ODS)						
S03-D0005	Office of Inspector General's Independent Report on the U.S. Department of Education's Detailed Accounting of Fiscal Year 2002 Drug Control Funds, dated January 23, 2003 (Authentication of ED's Assertions OIG conducted per Office of National Drug Control Policy)	1/30/03				

* For purposes of this schedule, "questioned costs" also includes "other recommended recoveries."

[1]Action memoranda notify the Department's management of a serious condition or issue requiring immediate attention that we identified in an on-going assignment, when there is a strong likelihood that waiting until the report's issuance to notify the ED action official would result in the loss of an opportunity to prevent or curtail significant harm to the federal interest. They are not posted on our website.

[2]Alert memoranda are prepared when a serious condition is identified outside of the agreed-upon objectives of an on-going assignment, or while doing work not related to an on-going assignment (when an audit report will not be issued). They are also used during the conduct of an audit of an external entity when a serious condition is identified at the Departmental level and needs to be forwarded to an ED action official for his/her immediate action. Alert memoranda are not posted on our website.

[3]Management information and special project reports provide management with information that can be useful in carrying out program activities.

[4]Closeout letters are issued to provide written notification to auditees of audit closure when the decision is made to close an assignment without issuing an audit report. Closeout letters are not posted on our website.

Table 3: Other ED/OIG Reports on Education Department Programs and Activities (October 1, 2002 to March 31, 2003)

Report Number	Title of Report	Date Issued
113C0013	Review of the Department's Physical Security Comprehensive Plan	10/23/02
113D0003	Review of the Mary E. Switzer Building Security Committee	12/2/02
113D0006	Results of the 2002 Department of Education Safety and Security Survey	1/2/03
113D0005	Clearances for eSource Contract Personnel	1/24/03
113D0002	New Hire Review Results	1/30/03
113C0023	Inquiry Phase for the Transition to Teaching Program	2/6/03
113C0014	Review of the Department of Education's Annual Plan 2002-2003 Reveals Strengths and Areas for Improvement	2/7/03
113C0015	Graduation Rates for Two-Year Postsecondary Institutions	3/19/03
113C0017	Memorandum on Workforce Analysis and Succession Planning for the Office of Inspector General Analysis and Inspection Services Staff	3/20/03

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Table 4: Inspector General Issued Audit Reports with Questioned Costs

		Number	Questioned[1]	Unsupported[2]
A.	For which no management decision has been made before the commencement of the reporting period (as adjusted)	53	$203,579,492	$45,114,089
B.	Which were issued during the reporting period	13	$139,642,932	$3,450,956
	Subtotals (A + B)	66	$343,222,424	$48,565,045
C.	For which a management decision was made during the reporting period	12	$49,868,456	$3,429,591
	(i) Dollar value of disallowed costs		$49,838,456	$3,402,591
	(ii) Dollar value of costs not disallowed		$30,000	$27,000
D.	For which no management decision has been made by the end of the reporting period	54	$293,353,968	$45,135,454
E.	For which no management decision was made within six months of issuance	42	$153,711,079	$41,684,498

[1]Questioned costs are costs that are questioned because of either an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds or a finding that the expenditure of funds for the intended purpose is unnessary or unreasonable. Other recommended recoveries are included in questioned costs. Other recommended recoveries are funds recommended for reasons other than questioned or unsupported costs. The category is usually used for findings involving recovery of outstanding funds and/or revenue earned on Federal funds. The amount also includes any interest due ED resulting from the auditee's use of funds. Amounts reported for this category are combined with questioned costs for reporting in the IG's Semiannual Report to Congress.

[2]Unsupported costs are costs that are questioned because, at the time of the audit, such costs were not supported by adequate documentation.

Table 5: Inspector General Issued Audit Reports with Recommendations for Better Use of Funds

	Number	Dollar Value
No Activity to Report		

Table 6: Unresolved Reports Issued Prior to October 1, 2002

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
Section 5(a)(10) of the Inspector General Act requires a listing of each report issued before the commencement of the reporting period for which no management decision had been made by the end of the reporting period.				
New Since Last Reporting Period				
Federal Student Aid				
A03-B0013	Audit of the Ability-to-Benefit (ATB) Testing Process at Lincoln Technical Institute, Inc. (LTI), Philadelphia, PA (SAR 45, p. 16) ***Status:*** *Audit was placed on administrative stay on October 15, 2002. A file review was requested and is being undertaken before resolution can begin.*	5/10/02	$256,946	9
A03-B0024	Audit of American College Testing's Ability-to-Benefit (ATB) Policies and Procedures for its Career Programs Assessment Test (CPAt) (SAR 45, p. 16) ***Status:*** *FSA/CFO is currently working on getting an approved final audit determination letter sent out.*	5/13/02		12
A04-B0015	Review of Cash Management and Student Financial Assistance Refund Procedures at Bennett College (OPE designated as collateral action office for this report) (SAR 45, p. 16) ***Status:*** *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	9/26/02	$997,313	7

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Table 6: Unresolved Reports Issued Prior to October 1, 2002 (Cont.)

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
A05-B0019	Audit of Course Length at Trinity Christian College (Trinity) (SAR 45, p. 16) ***Status:*** *Audit was placed on administrative stay on October 15, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about course length.*	9/17/02	$111,061	3
A05-B0033	United Student Aid Funds, Inc.'s Administration of the Federal Family Education Loan Program Federal and Operating Funds (SAR 45, p. 16) ***Status:*** *Program office is working on resolving this audit.*	4/23/02	$6,626,000	4
A05-B0037	Audit of the Administration of the Student Financial Assistance Programs by Aakers Business College (College) during the period October 1, 1998, through September 30, 1999 (SAR 45, p. 16) ***Status:*** *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	7/23/02	$4,366	4
A05-B0040	Audit of the Administration of Selected Aspects of the Student Financial Assistance Programs by Globe College (College) during the period January 1, 1999, through December 31, 1999 (SAR 45, p. 16) ***Status:*** *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	8/7/02	$61,466	3
A06-A0024	Audit of Commissioned Sales and Course Length at Southern Wesleyan University (SAR 45, p. 16) ***Status:*** *Audit was placed on administrative stay on October 11, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales and course length.*	9/4/02	$19,451,123	5
A07-A0030	Baker University School of Professional and Graduate Study's Administration of Title IV Federal Student Aid Programs (SAR 45, p. 17) ***Status:*** *Audit was placed on administrative stay on October 11, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales.*	9/19/02	$15,716,275	7
A07-A0031	Fontbonne University Options Program's Administration of Title IV Federal Student Aid Programs (SAR 45, p. 17) ***Status:*** *Audit was placed on administrative stay on October 11, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales.*	9/30/02	$12,441,490	7
A07-B0002	Audit of the National Student Loan Program's Establishment of the Federal Family Education Loan Program Federal and Operating Funds (SAR 45, p. 17) ***Status:*** *Program office is working on resolving this audit.*	9/27/02	$2,672,941	10
A09-C0005	Silicon Valley College's Administration of the Higher Education Act, Title IV Programs (SAR 45, p. 17) ***Status:*** *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	9/20/02	$436	6
Office of the Chief Financial Officer				
A07-C0008	Contract Closeout Audit of Office of Educational Research and Improvement Contract No. RJ96006501 at Northwest Regional Educational Laboratory (SAR 45, p. 17) ***Status:*** *ED received a check in the amount of $324,845.61 dated 5/6/02 which was taken to accounts receivable on 5/31/02. This item will be removed in the next Semiannual Report.*	9/12/02	$320,195	4

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Table 6: Unresolved Reports Issued Prior to October 1, 2002 (Cont.)

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
Office of the Chief Financial Officer (dealing with discretionary grants) Office of Innovation and Improvement				
A05-C0011	Audit of the Public Broadcasting Service's (PBS) Administration of the TeacherLine Grant No. R286A000003-01 (Grant) awarded under the Telecommunications Demonstration Project for Mathematics for the period June 1, 2000, through May 31, 2001 (SAR 45, p. 18) ***Status:*** *Post Audit Group, OCFO, and OII have been working on issues involving unsupported costs. A final audit determination letter is expected by June 30, 2003.*	9/10/02	$149,430	5
A05-C0020	Audit of the Public Broadcasting Service's (PBS) Administration of the Ready-To-Learn Cooperative Agreement No. R295A000002 (Agreement) awarded under the Department of Education's Ready-To-Learn Television Program for the period September 1, 2000, through August 31, 2001 (SAR 45, p. 18) ***Status:*** *Post Audit Group, OCFO, and OII have been working on issues involving unsupported costs. A final audit determination letter is expected by June 30, 2003.*	9/10/02	$140,716	4
Office of the Chief Financial Officer (dealing with discretionary grants) Office of Postsecondary Education				
A03-B0026	Audit of Delaware State University's Administration of the Title III Strengthening Institutions HBCU Program (SAR 45, p. 18) ***Status:*** *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	7/11/02		7
A05-B0035	Audit of Robert Morris College's Administration of the Talent Search, Upward Bound, and Student Support Services Programs Chicago, Illinois (SAR 45, p. 18) ***Status:*** *Post Audit Group, OCFO expects to issue final audit determination letter by June 30, 2003.*	9/27/02	$20,151	12
Office of the Chief Financial Officer (dealing with discretionary grants) Office of Special Education and Rehabilitative Services				
A06-B0028	Allowability of Office of Special Education and Rehabilitative Services' Grant Charges by Partners Resource Network, Inc., Beaumont, Texas (SAR 45, p. 19) ***Status:*** *Post Audit Group, OCFO, and OSERS are requesting legal advice from OGC regarding issue raised by auditee.*	5/23/02	$62,720	5
Office of the Chief Information Officer				
A11-C0008	The Department of Education's Implementation of the Government Information Security Reform Act (GISRA) Year 2[1] (SAR 45, p. 17) ***Status***: *Program office informed us that the audit is resolved. It will be removed in the next Semiannual Report.*	9/16/02		26
Office of Elementary and Secondary Education				
A02-B0025	Puerto Rico Department of Education Did Not Administer Properly Three Contracts with R.V. Research and Management Group, Inc. (SAR 45, p. 18) ***Status:*** *Status: A Department team is working on the resolution of this audit.*	9/12/02	$2,146,023	10
A03-B0023	Audit of Caroline Wilder Harris (C.W. Harris) Elementary School's Federal Grant Expenditures for the period July 1, 1999, through June 30, 2001 (SAR 45, p. 18) ***Status:*** *A final audit determination letter was scheduled to be issued by April 30, 2003.*	9/17/02	$43,159	2
A05-B0011	Audit of the Title I, Part A, Targeted Assistance Schools Grant (Grant) Administered by the Mount Clemens Community Schools District (District) for the July 1, 1997, through June 30, 1998, Award Year (SAR 45, p. 18) ***Status:*** *Audit was placed on administrative stay on April 2, 2003.*	8/2/02	$459,331	4

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Table 6: Unresolved Reports Issued Prior to October 1, 2002 (Cont.)

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
A05-C0012	Audit of East Cleveland City Schools' (ECCS) Administration of the 21st Century Community Learning Centers (21st Century) Grant at Kirk Middle School (Kirk) for the period June 1, 1998, through December 31, 2001 (SAR 45, p. 18) ***Status:*** *A final audit determination letter was scheduled to be issued by April 30, 2003.*	9/18/02	$349,637	9
Office of Special Education and Rehabilitative Services				
A02-B0014	Audit of the Puerto Rico Vocational Rehabilitation Administration (PRVRA) (SAR 45, p. 18) ***Status:*** *The program office is working on resolving this audit.*	6/26/02	$15,800,000	5
Reported in Previous Semiannual Report				
Federal Student Aid				
A03-A0022	Audit of Commissioned Sales and Course Length at Wesley College (SAR 44, p. 14) ***Status:*** *Audit was placed on administrative stay on January 29, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales and course length.*	1/15/02	$1,431,560	5
A03-B0022	Audit of Wonderlic's Ability-to-Benefit Program (SAR 44, p. 14) ***Status:*** *FSA/CFO is working in getting an approved final audit determination letter sent out.*	2/5/02		4
A05-A0030	Audit of Commissioned Sales at Olivet Nazarene University (SAR 43, p. 11) ***Status:*** *Audit was placed on administrative stay on July 26, 2001. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales.*	5/21/01	$3,299,891	4
A05-B0003	Audit of Commissioned Sales and Course Length at Benedictine University (SAR 44, p. 14) ***Status:*** *Audit was placed on administrative stay on March 19, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales and course length.*	12/13/01	$221,988	5
A05-B0004	Indiana Wesleyan University, Adult and Professional Studies Administration of Title IV Programs, Marion, Indiana (SAR 43, p. 11) ***Status:*** *Audit was placed on administrative stay on October 24, 2002. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales and course length.*	9/28/01	$31,682,782	5
A05-B0014	Audit of Course Length at Olivet Nazarene University (SAR 43, p. 12) ***Status:*** *Audit was placed on administrative stay on October 24, 2001. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about course length.*	9/28/01		4
A06-70005	Professional Judgment at Yale University (SAR 36, p.18) ***Status:*** *Audit was placed on administrative stay on June 29, 2000. Awaiting a policy decision to address and resolve this finding in the final audit determination letter.*	3/13/98	$5,469	3
A06-70009	Professional Judgment at University of Colorado (SAR 37, p.17) ***Status:*** *Audit was placed on administrative stay on June 29, 2000. Awaiting a policy decision to address and resolve this finding in the final audit determination letter.*	7/17/98	$15,082	4

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Table 6: Unresolved Reports Issued Prior to October 1, 2002 (Cont.)

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
A06-A0001	Interactive Learning Systems' Administration of the Title IV Student Financial Assistance Programs (SAR 43, p. 12) ***Status:*** *Audit is still being reviewed by FSA Dallas Case Team.*	7/20/01	$990,828	7
A06-A0003	International Business College's Administration of Title IV Student Financial Assistance Programs (SAR 42, p. 22) ***Status:*** *Audit was placed on administrative stay on September 24, 2001.*	3/28/01	$461,035	4
A06-B0012	Audit of Los Angeles City College's Compliance with the Title IV, Student Financial Assistance, Verification Requirements (SAR 44, p. 15) ***Status:*** *Program office informed us that audit is resolved. It will be removed in the next Semiannual Report.*	11/14/01	$14,072	3
A06-B0014	Audit of United Education Institute's Compliance with the Title IV, Student Financial Assistance, Verification Requirements (SAR 43, p. 12) ***Status:*** *Audit is still being reviewed by the FSA San Francisco Case Team.*	9/28/01	$7,285	1
A07-23545	State of Missouri, Single Audit Two Years Ended June 30, 1991 ***Status:*** *Some of the findings involve political issues and require further discussions with the General Manager and Chief Operating Officer.*	4/1/93	$1,048,768	18
A07-33123	State of Missouri, Single Audit Year Ended June 30, 1992 ***Status:*** *Some of the findings involve political issues and require further discussions with the General Manager and Chief Operating Officer.*	3/7/94	$187,530	18
A07-90035	Audit of Commissioned Sales at William Penn University (SAR 43, p. 12) ***Status:*** *Audit was placed on administrative stay on August 1, 2001. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about commissioned sales.*	5/15/01	$5,023,447	4
A07-B0001	Audit of Course Length at William Penn University (SAR 43, p. 12) ***Status:*** *Audit was placed on administrative stay on October 24, 2001. FSA and OPE will be working with OGC on a settlement agreement with this school now that regulatory changes have been made about course length.*	9/28/01		4
A09-70015	Associated Technical College (ATC) Eligibility of Institutions to Participate in Title IV Programs & Other Issues (SAR 37, p. 16) ***Status:*** *Audit is still being reviewed by FSA San Francisco Case Team.*	9/9/98	$8,600,000	7
N06-90010	Inspection of Parks College's Compliance with Student Financial Assistance Requirements (SAR 40, p. 18) ***Status:*** *FSA Dallas Case Team denied school's recertification on December 31, 1999. School closed February 5, 2000.*	2/9/00	$169,390	1
Office of the Chief Financial Officer (dealing with discretionary grants) Office of Postsecondary Education				
A05-A0026	Audit of Richard J. Daley College's Administration of Selected Aspects of Its Strengthening Institutions - Hispanic Serving Institution Program, Chicago, Illinois (SAR 42, p. 21) ***Status:*** *Post Audit Group, OCFO is awaiting college's response for additional data.*	3/30/01	$1,621,861	2
Office of Elementary and Secondary Education				
A01-90006	Puerto Rico Department of Education Needs Major Improvements in Its Administration of the Even Start Program (SAR 41, p. 22) ***Status:*** *A Department team is working on the resolution of this audit.*	9/27/00	$181,305	18
A01-90007	Puerto Rico Department of Education Needs Major Improvements in Its Administration of the Governor's Safe and Drug-Free School Program (SAR 41, p. 22) ***Status:*** *A Department team is working on the resolution of this audit.*	9/27/00	$82,452	17

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Table 6: Unresolved Reports Issued Prior to October 1, 2002 (Cont.)

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	No. of Recommendations
A01-A0004	Puerto Rico Department of Education Did Not Administer Properly a $9,700,000 Contract with National School Services of Puerto Rico (SAR 42, p. 21) ***Status:*** *A Department team is working on the resolution of this audit.*	3/28/01	$7,841,493	14
A02-50200	The Puerto Rico Department of Education Must Institute a Time Distribution System (SAR 36, p. 13) ***Status:*** *A Department team is working on the resolution of this audit.*	11/14/97		1
A02-B0012	Puerto Rico Department of Education Did Not Administer Properly Title I Contracts with National School Services of Puerto Rico for the 1999/2000 and 2000/2001 School Years (SAR 43, p. 11) ***Status:*** *Audit was placed on administrative stay on February 7, 2002. A Department team is working on the resolution of this audit.*	9/28/01	$8,412,280	10
Office of Special Education and Rehabilitative Services				
A04-A0015	The Virgin Islands Government Lacks Adequate Management Controls Over the Administration of Its IDEA, Part B Grant Program Salary Costs (SAR 43, p.p. 11) ***Status:*** *Audit was placed on administrative stay on January 15, 2002. The program office is working on resolving the audit findings.*	7/25/01	$4,702,542	15

[1]Restricted Information.
Note - Status comments reflect documents received, comments agreed to, or comments provided by the Department.

Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
INSTITUTIONAL FRAUD				
Collection Agency Fraud				
Officials of firm that contracted with 200 schools to collect defaulted Perkins loans used approximately $1.25 million in client trust funds for personal and general operating expenses	Ronald Unger	Sentenced: 10/1/02	$1,009,190	
	Arlene Unger	Sentenced: 10/1/02		
	Donald Hess	Sentenced: 10/1/02		
Failure to Make Refunds/Refund Fraud				
College controller embezzled over $72,000	Zennia Hayes	Convicted: 1/30/03		
School owner failed to refund unearned FFEL proceeds	Jeffrey Saleeby	Sentenced: 2/26/03	$15,433	
Instructing Students How to Falsify FAFSAs				
Former admissions representatives coached and assisted students to falsify their FAFSA to qualify them for $434,000 in Pell Grant funds for which they were not eligible	Theresa Leon	Indicted: 10/17/02		
	Irma Warren	Indicted: 10/17/02		
Former admissions representatives coached and assisted students to falsify their FAFSA to qualify them for $164,000 in Pell Grant funds for which they were not eligible	Jaime Hurtado	Indicted: 10/24/02		
	Maria Mena	Indicted: 10/24/02		
	Henry Leger	Indicted: 10/24/02		
Former admissions representatives coached and assisted students to falsify their FAFSA to qualify them for $263,000 in Pell Grant funds for which they were not eligible	Andrea Garrote	Indicted: 3/11/03		
	Maria Garcia	Indicted: 3/11/03		
	Andrea Mongalo	Indicted: 3/11/03		
Enrollment of Ineligible Students				
Financial aid director submitted false documents enabling ineligible students to get over $1.3 million in Pell Grant funds	Rochelle Shumpert Harris	Sentenced: 11/7/02	$600,000	

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Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003) (Cont.)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
Ineligible Program				
Debarred school owner used alias to open another school	Carlos Alvarez	Arrested: 12/19/02		
Falsification of Attendance				
Director of business operations led file review process where school staff created false attendance records	Cynthia Ghany	Convicted: 10/8/02 Sentenced: 12/16/02	$120,000	
Four former school officials defrauded Pell Grant program by creating false student attendance and grade records	Patricia Donawa	Sentenced: 12/19/02	$659,328	
	Kelvin Alexis	Sentenced: 12/19/02	$659,328	
	Thomas Koons	Sentenced: 12/19/02		
	Carlos Alvarez	Sentenced: 12/19/02	$444,000	
Falsification of GED or High School Diplomas				
Former school employee defrauded Pell Grant program by submitting false high school diplomas and other documents	Barbara Henderson	Convicted: 1/28/03 Sentenced: 1/28/03	$27,100	
Admissions director created false GEDs and and diplomas to fraudulently enroll students	Pamela Broome	Sentenced: 2/14/03	$26,177	
Fraudulent Work-Study				
Former Work-Study coordinator created false overtime cards and diverted funds to personal use	Teresa Nethery	Convicted: 12/19/02		
Former professor falsified certified timesheets	Roger Prolux	Sentenced: 3/20/03	$62,785	$20,636
Falsification of Enrollment (Ghost Students)				
Individual posing as school owner fraudulently obtained more than $1.7 million in Pell Grants	Carlos Alvarez	Indicted: 1/28/03		
Falsification of Entrance Exams				
Owner and employees of Michigan school defrauded the Department of $875,000 in student financial aid funds	Mahmoud Younis	Indicted: 1/15/03		
	Linda Johnson	Indicted: 10/22/02 Convicted: 11/12/02		
	Ambrosio Santos	Convicted: 12/22/02 Sentenced: 12/22/02 Civil Action:12/22/02		
	Walid Alsabbagh	Indicted: 1/15/03		
	Jamal Mourtada	Indicted: 1/15/03		
	Sahar Younes	Indicted: 1/15/03		
	Muna Jaber	Indicted: 1/15/03		
	Mariam Chbib Chbib	Indicted: 1/15/03		
	Samira Mouzahem	Indicted: 1/15/03		
	Gregory Moore	Indicted: 10/24/02 Convicted: 1/21/03		
School Employee Theft				
Former school official embezzled over $15,000	Samuel Padilla	Arrested: 10/6/02 Convicted 1/16/03 Sentenced: 2/18/03	$15,103	
Former school employee stole Pell Grant funds and deposited money in personal checking account	Patrice Smith	Indicted: 10/23/02 Convicted 2/3/03 Sentenced: 2/3/03	$6,831	

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Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003) (Cont.)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
Assistant financial aid director fraudulently obtained $26,000 in student aid	Linda Mrochinski	Convicted: 11/20/02 Sentenced: 3/17/03	$28,097	
Former college employee stole approximately $30,000 in student loan money	Cynda Long	Convicted: 1/31/03		
School official defrauded FFEL program of more than $200,000	Raymond Krull	Sentenced: 10/2/02	$163,670	
Former chief financial officer stole refund checks issued to ghost students	Cedric Grant	Sentenced: 2/28/03	$43,400	
Former financial aid director submitted false loan applications	Keith Magee	Indicted: 3/18/03		
Former school employees used false SSN to obtain aid	Richelle Simpson	Sentenced: 2/18/03	$287,500	
	Erick Simpson	Sentenced: 2/18/03		
University employee stole approximately $118,000 from school	Glenda Lee Shirley	Convicted: 2/6/03		
Collusion Between Officials and Students				
Student involved in Pell Grant fraud	Rachel Rodriguez	Sentenced: 10/25/02	$2,268	
Former financial aid official conspired to obtain more than $60,000 in Pell Grants for ineligible students	Holly Clements-Chavira	Indicted:12/06/02 Arrested: 12/10/02		
RECIPIENT FRAUD				
Falsification of Income				
CIA Human Resource Director submitted false FAFSA	Karen Northart	Indicted: 10/17/02 Convicted: 10/28/02 Sentenced: 1/24/03	$8,500	
Individual falsely claimed marital status to obtain aid	David Seltzer	Civil Action: 3/25/03		$15,851
Spouse assisted in falsifying FAFSA	Wayne Northart	Indicted: 10/17/02 Convicted: 10/28/02 Sentenced: 1/24/03		
Former Chicago police officer submited false student aid applications	William Lumpkin	Sentenced: 1/9/03	$15,142	
Cook County Illinois correction officer submitted false student aid application	Delphine Bridges	Sentenced: 1/10/03	$18,061	
Individual under reported income	Vetevely Stephons	Convicted: 1/23/03		
Student used identity of friend to obtain aid	N. Lonnie Webster	Convicted: 11/25/02 Sentenced: 2/11/03	$49,508	
Student used deceased husband's name to obtain aid	Donna Hites	Sentenced: 2/20/03		
Falsification of Identity/Identity Theft				
Individual defaulted on $39,000 in loans then used false identity and SSN to fraudulently get over $34,000 in loans	Michael Wayne Jennings	Indicted: 12/10/02 Arrested: 12/11/02		
Individual used false identity to obtain $18,500 in student loans	George Waters	Convicted: 11/25/02 Sentenced: 1/28/03	$54,104	
Illegal alien fraudulently used identity of U.S. citizen to obtain over $34,000 in student aid	Rolando Lara	Sentenced: 10/30/02	$34,954	
Individual defaulted on student loans, then used another SSN to obtain more loans	Michael Wildman	Arrested: 10/22/02 Indicted: 10/22/02		
Individual used false identity in check-cashing fraud	Jamillah Allen	Convicted: 11/5/02		
	Shonda Feggins	Convicted: 11/5/02		

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Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003) (Cont.)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
Individual defaulted on student loans, then used false SSN to obtain more loans and grants	Willie Reed	Indicted: 1/14/03 Convicted: 3/24/03		
Former MacArthur Scholar used false identity to obtain student aid	Maria Bonner	Sentenced: 1/23/03	$487,396	
Former civilian U.S. Army employee used false social security numbers to obtain loans	Hans Alagoa	Convicted: 12/17/02 Sentenced: 2/27/03	$37,659	
Falsification of Citizenship				
Individual obtained approximately $47,000 in Pell Grant and FFEL funds by falsifying citizenship on multiple applications	Ruth Jean Baptiste	Convicted: 10/2/02		
Individual obtained over $31,000 in aid by claiming to be a U.S. citizen	Alondra Patricia Ruiz	Convicted: 10/3/02 Sentenced: 1/6/03	$31,566	
Individual falsely claimed citizenship to obtain aid	Themla Gener	Indicted: 2/12/03		
Falsification of Eligibility				
Individual on probation for federal crime submited false GED to fraudulently obtain $10,000 in loans	Robert Donahue	Arrested: 12/10/02 Convicted: 1/17/03		
Foreign School Recipient Fraud				
Two individuals conspired with fraud ring to obtain $146,500	*Harold Pierre-Louis*	Indicted: 3/4/03		
	Max Noel	Indicted: 3/4/03		
Fraudulent Work-Study				
Former student stole over $6,000 in Work-Study funds by submitting forged time sheets	Jessica Hook	Convicted: 10/16/02		
Student forged Federal Work-Study time cards	Sohrab Attai	Arrested: 10/18/02 Indicted: 11/22/02 Convicted: 12/18/02 Sentenced: 12/18/02	$1,895	
Fraudulent Loan Discharges/Deferments				
U.S. Postal Service employee forged doctor's signature to fraudulently cancel student loan debt	Tonya Ryans	Indicted: 11/13/02		
Individual submitted false claims for deferment of loan payments	David Venezia	Civil Settlement: 10/31/02		$55,000
Fraudulent Online Schooling				
Prison inmate submitted false form for himself and other inmates to obtain student aid for online courses	Avangia Jones	Arrested: 12/3/02		
Other				
Individual stole over $78,000 to pay student loans for her husband and son	Ann Glasthal	Sentenced: 10/17/02	$78,179	
Individual reported checks stolen to obtain aid	Terrance Leonard Kenner	Arrested: 3/5/03		
FINANCIAL AID PREPARER FRAUD				
Clients Prosecuted				
Client paid a financial aid consultant to falsify financial aid forms and federal tax returns to obtain student aid for her daughter	Dorothy Stephens	Sentenced: 11/27/02	$23,410	

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Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003) (Cont.)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
Chicago teacher falsified financial aid forms and federal income tax returns to obtain student aid for her child and used fraudulent preparer to create false documents	Lloyd Norman	Convicted: 1/29/03		
Clients of preparer falsified aid applications	Edna Clemons	Sentenced: 3/18/03	$16,280	
	Neely Clemons	Sentenced: 3/18/03	$16,280	
Preparers Prosecuted				
Consultant advised and assisted families in preparing and submitting false FAFSAs	Ozel Clifford Brazil	Indicted: 10/31/02 Convicted: 2/21/03		
NON-TITLE IV PROGRAM FRAUD				
Individual illegally diverted $900,000 in Impact Aid	Stateson Francois	Arrested: 10/23/02		
Former director of AIDS foundation embezzled $72,000 in foundation funds	Silma Magaz-Escoda Gonzalez	Convicted: 10/8/02 Sentenced: 1/20/03	$74,100	
Former Secretary and Associate Secretary of Education for Puerto Rico involved in six-year corruption and extortion involving Department funds	Victor Fajardo Velez	Sentenced: 12/11/02	$4,300,000	
	Jose Omar Cruz Mercado	Sentenced: 12/11/02	$600,000	
	Ruperto Vazquez Lopez	Sentenced: 12/12/02	$800,000	
	Maria Ramos Matos	Sentenced: 12/12/02	$123,000	
Individual embezzled Vocational Rehabilitation funds	Bruce Waite	Sentenced: 10/21/02		$285,568
Former administrative assistant to an Oklahoma school district treasurer fraudulently obtained checks drawn on school district's various funds	Mellissa Schrick	Sentenced: 2/27/03	$261,959	
Former Title III Director at Clark Atlanta University embezzled Title III funds	Robbie Bateman	Convicted: 3/11/03		
Former employees of Florida Vocational Rehabilitation Services fraudulently obtained VRS benefits for their sons	Michelle Abrajano	Indicted: 3/25/03		
	Jerald Means	Indicted: 3/25/03		
	Twanda Ross	Indicted: 3/25/03		
Four officials of the Massachusetts Career Development Institute defrauded the State education agency and obstructed justice	Gerald Phillis	Indicted: 3/27/03		
	Giuseppi Polemeni	Indicted: 3/27/03		
	Jamie Dwyer	Indicted: 3/27/03		
	Luisa Cardaropoli	Indicted: 3/27/03		
INTERNAL INTEGRITY				
Department employee possessed child pornography on government computer	Robert Jamroz	Indicted: 1/28/03 Convicted: 2/27/03		
Department contractors involved in over $1 million electronic equipment and overtime fraud case	William Cousin	Sentenced: 1/23/03	$5,760	
	Joseph Morgan	Sentenced: 1/23/03	$2,928	
Employees of Verizon Federal involved in over $1 million electronic equipment and overtime fraud case	Verizon Federal, Inc.	Civil Settlement: 2/6/03		$2,000,000
Former Department employee involved in over $1 million electronic equipment and overtime fraud case	Raymond Morgan Jr.	Sentenced: 1/7/03		

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Table 7: Investigation Services Cumulative Actions (October 1, 2002 to March 31, 2003) (Cont.)

Summary of Investigation	Subject Name	Action This Period*	Fines/ Restitutions	Civil Recoveries
Department employees illegally charged over $163,000 on government credit cards	Jean Williams Stancell	Convicted 1/22/03		
	Silvador Denise Estep	Convicted: 2/21/03		
Department employees and others involved in over $1 million electronic equipment and overtime fraud case	David "Dinky" Gray	Sentenced: 10/10/02		
	Elizabeth Burroughs Gray	Sentenced: 10/10/02		
	Luther Mellen III	Convicted: 11/8/02		
	Philip Burroughs	Convicted: 11/8/02		
	Jeffrey Morgan	Convicted: 11/8/02		
	Joanne Burch	Sentenced: 11/23/02		
	Tina Burroughs	Sentenced: 11/15/02		
	Lewis Morgan	Sentenced: 3/14/03		
	Joanne Murphy	Sentenced: 11/15/02		
	Susan Morgan	Sentenced: 1/23/03		
	Marianne Buckler	Sentenced: 1/23/03	$2,928	
	Robert Sweeney	Sentenced: 1/23/03		

* Arrest refers to filing of criminal complaint, indictments include informations, and convictions include pretrial diversions and nolo pleas.

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Table 8: Statistical Profile: October 1, 2002 to March 31, 2003

	Six-month Period Ending 3/31/03
OIG AUDIT REPORTS ISSUED	27
Questioned Costs	$136,191,976
Unsupported Costs	$3,450,956
Recommendations for Better Use of Funds	$0
OTHER OIG PRODUCTS	28
(Inspections, Action Memoranda, Alert Memoranda, Closeout Letters, Management Information Reports, and Special Projects)	
OIG AUDIT REPORTS RESOLVED BY PROGRAM MANAGERS	26
Questioned Costs Sustained	$46,435,865
Unsupported Costs Sustained	$3,402,591
Additional Disallowances Identified by Program Managers	$8,532,659
Management Commitment to the Better Use of Funds	$0
INVESTIGATIVE CASE ACTIVITY	
Cases Opened	82
Cases Closed	120
Cases Active at End of Period	354
Prosecutorial Decisions	79
-Accepted	51
-Declined	28
INVESTIGATION RESULTS	
Indictments/Informations	48[1]
Convictions/Pleas	43[2]
Fines Ordered	$22,002
Restitution Payments Ordered	$11,704,360
Civil Settlements/Judgments (#)	62
Civil Settlements/Judgments ($)	$3,153,917
Recoveries	$408,243
[1]Includes four actions not previously reported. [2]Includes two actions not previously reported.	

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